



August 21, 2013

Mr. Peter J. Jackson, Sr.
Boilermakers Local 661
P.O. Box 97
Florence, NJ 08518

Case Number: 130-15411 [REDACTED]
LM Number: 001141

Dear Mr. Jackson:

This office has recently completed an audit of Boilermakers Local 661 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you and Treasurer Mark Ostrowsky, Secretary Treasurer on August 21, 2013, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report Form LM-3 filed by Local 661 for the fiscal years ended June 30, 2011 and June 30, 2012, were deficient in the following areas:

1. Cash Reconciliation

It appears that the cash figures reported in Item 25 (Cash) are not the figures according to Local 661's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

Investments recorded in Item 28 should be reported in Items 25 (A) and (B) since the investments were cashed out and deposited into Local 661's bank account.

1. Disbursements to Employees

Local 661 did not include some reimbursements to employees (shop stewards) totaling at least \$4889 in the amounts reported in Item 46 (To Employees). It appears the union erroneously reported these payments in Item 45.

The union must report most direct disbursements to Local 661 employees and some indirect disbursements made on behalf of its employees in Item 46. A "direct disbursement" to an employee is a payment made to an employee in the form of cash, property, goods, services, or

other things of value. See the instructions for Items 24 and 46 for a discussion of certain direct disbursements to employees that do not have to be reported in Item 46. An "indirect disbursement" to an employee is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an employee. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an employee traveling on union business should be reported in Item 48 (Office and Administrative Expense).

3. *Some disbursements included in Item 54 – Other Disbursements, are incorrectly reported and should be included in Item 47 (Per Capita Tax) and Item 48 (Office and Administrative Expense).*

Local 661 has agreed to file amended Forms LM-3 for the fiscal years ended June 30, 2011 and June 30, 2012, to correct the deficient items discussed above. I encourage Local 661 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Forms LM-3 should be filed electronically no later than September 13, 2013 or submitted to this office at the above address by the same date. Before filing, review the reports thoroughly to be sure they are complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to Boilermakers Local 661 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Mr. Mark Ostrowsky, Treasurer